

MICHIGAN ECONOMIC GROWTH AUTHORITY BOARD
February 15, 2011

ADOPTED MEETING MINUTES

A meeting of the Michigan Economic Growth Authority (MEGA) Board was held on Tuesday, February 15, 2011 at the Michigan Economic Development Corporation, Lake Michigan Conference Room, 300 North Washington Square, Lansing, Michigan.

MEMBERS PRESENT: Rita Canady (acting on behalf of Andrew Levin, authorization attached); Tim Herman; Donna Donovan (Chairperson, acting on behalf of Andrew Dillon, authorization attached); Jennifer Nelson (non-voting, ex-officio, acting on behalf of Michael Finney, authorization attached); Laura Mester (acting on behalf of John Nixon, authorization attached); and Douglas Buckler.

MEMBERS ABSENT: Baldomero Garcia and Cullen DuBose

CALL TO ORDER: At 10:00 a.m. the meeting was called to order by Ms. Donovan.

APPROVAL OF MINUTES: Ms. Donovan asked for a motion to approve the January 18, 2011 meeting minutes. **Mr. Buckler motioned approval of the minutes. Mr. Herman seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent

PUBLIC COMMENT: Ms. Donovan asked if there was any public comment. There was none.

PROPOSED BROWNFIELD WORK PLANS

Resolution 2011-013: Plainwell Brownfield Redevelopment Authority – Former Plainwell Paper Mill, City of Plainwell

Sarah Rainero, MEDC Community Assistance Specialist, provided background information and introduced the guest presenters: Wayne Bauman, Principal-VP, CRA; Nick White, Project Manager, CRA; and Erik Wilson, Plainwell City Manager.

Mr. Bauman gave a history of CRA. He indicated that for 35 years, the company has been involved in engineering, construction and development. The company has been very interested in the Superfund site and the project has been moving forward quickly. CRA wants to grow and stay in Michigan, including its continued support in new markets and pipeline industry. They plan on hiring a multitude of laborers, and has already hired two engineers with plans to hire four more. Mr. Wilson added that the city is north of Kalamazoo and south of Grand Rapids, with a population of 4,000. In November 2000, when Plainwell closed, 400 to 500 jobs were lost. When the company declared bankruptcy in November 2006, the City Council acquired the 36 acres the company had occupied, and developed an RFP with CRA as the developer. The plan is for City Hall to move to the Mill, along with the CRA office.

Katharine Czarnecki, MEDC Manager of Community Programs, provided additional information and recommendations.

Ms. Czarnecki stated that the project in question is part of three separate projects. Project 1 will consist of renovation of two historic structures on the Eligible Property, "Building 17" and "Building 18," as well as public infrastructure improvements and exterior improvements such as landscaping and sidewalks. Project 1 is expected to begin in 2011. MEDC has committed a \$1 Million CDBG Blight Elimination Grant to the City of Plainwell for the removal of blighted buildings throughout the former paper mill and the DNRE has committed \$1.3 Million for decommissioning and demolition for certain other buildings. In addition, the developer has also submitted a request for a Small Brownfield MBT Credit estimated at \$354,897 for the renovations of buildings 17 and 18 as described above.

Recommendation: MEDC staff recommends approval of local and school tax capture for the MEGA eligible activities totaling \$568,546 described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at \$233,104. However, in order for school tax capture to occur on this project, the applicant shall not capture or reimburse costs on any infrastructure improvement work as approved in the Economic Development Grant Agreement between the Michigan Strategic Fund and the City of Plainwell under the Community Development Block Grant Program dated May 27, 2010, as amended; and within 90 days of the MEGA Resolution adopting this Act 381 Work Plan request, the applicant shall amend the Brownfield Plan adopted by the City of Plainwell on November 22, 2010 to either remove Parcel B-2 as it is currently ineligible property or qualify it appropriately as eligible property, which it has already done.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Karla Campbell, MEGA Board Secretary, stated there was one contingency as Ms. Czarnecki mentioned: that the Authority amend the Work Plan dated November 22, 2010, within 90 days to either remove Parcel B-2 as an ineligible property or qualify the parcel as an eligible property. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2011-013. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-014: City of Westland Brownfield Redevelopment Authority – Former Showcase Cinema, City of Westland

Katharine Czarnecki provided background information and introduced the guest presenters: Michael Mihalich, President of MJR Theaters, Inc.; Richard Barr; Roger Shiftlett; and Lori Fodale, Economic Development Director, City of Westland.

Mr. Mihalich said that MJR Theaters was organized in 1980, and is a Michigan owned and operated business. He indicated he appreciates the city's cooperation with this project and the new theater will open by next November, employing sixty new employees for a total of 500 employees. It will be 69,000 square feet with 16 screens and 3,100 seats. Mr. Barr thanked the City and MEDC staff and said the project would start next week, with over \$13 million in investment. Ms. Fodale added that Westland City has a population of 86,000 without a theater and that they looked forward to the project.

Katharine Czarnecki provided additional information and recommendations.

The project is utilizing the Wayne County land Bank TURBO program, which provides the developer tax free status for the first year and a refund of 50% of property tax revenue in years two through five. The estimated value for this incentive is \$720,468. The total cost of MEGA eligible activities is \$187,635.

Recommendation: MEDC staff recommends approval of local and school tax capture for the MEGA eligible activities totaling \$187,635 as described. Utilizing the current state to local capture ratio, the amount of school tax capture for this project shall not exceed \$75,725 of eligible property.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Brownfield Work Plan and recommends approval. Karla Campbell, stated there were no contingencies regarding this project. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2011-014. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED HIGH-TECH MEGA CREDITS

Resolution 2011-015: American Broach & Machine Company

Kasey Green, MEDC Business Development Manager, provided background information and introduced the guest presenters: Ken Nemeec, President; Rob Mioni, CFO; Teresa Gillotti, City of Ypsilanti City Planner; and Valerie Christofferson, Ann Arbor SPARK.

Mr. Nemeec said that the company has been in existence since 1919 and has been struggling to compete in the machine tool business. He said that the company needed an investment to get a product to sell, and that the Board of Directors approved the present project pending tax incentives. They plan on breaking ground in 2011. Ms. Gillotti added that American Broach has a great talent pool and Ypsilanti is excited about the opportunity. A public hearing will be held tonight for the local tax incentives. Ms. Christofferson added that she was excited and thought this was good for the city.

Stacy Bowerman, MEDC Project Specialist, provided additional information and recommendations.

Ms. Bowerman said that if chosen, the company would invest approximately \$25 million and create up to 43 jobs over the next five years as a result of the project. The average weekly wage for the newly created jobs is anticipated to be \$1,128.

Recommendation: MEDC staff recommends a 100 percent high-technology employment tax credit for seven years for up to 43 net new employees in excess of the company's established base of 31. In addition, MEDC staff is supportive of an abatement of the six-mill State Education Tax for a period of 12 years.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval. Ms. Campbell stated there was one contingency: that the City of Ypsilanti approves a tax abatement for new property related to the project. Ms. Donovan asked if there were any questions from the Board. Mr. Buckler commented that it was great to help a 90 year old company. **Mr. Buckler made a motion for approval of Resolution 2011-015. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-016: WABCO North America LLC

Jerome Katz, MEDC Business Development Manager, provided background information and introduced the guest presenters: Frank Impson, Controller-America, WABCO Vehicle Control Systems; Ed Anzek, Rochester Hills; Lynda Earhart, Oakland County

Mr. Impson said that WABCO is headquartered in Piscataway, New Jersey, and for over 140 years has produced technologies for braking and other automation systems supplied to truck manufacturers. They have 8,100 employees throughout 31 countries and plan on hiring 100 engineers in the next year. Mr. Anzek said they were looking forward to working with the company. Ms. Earhart welcomed WABCO and said they looked forward to the opportunities. *Joe Quick, MEDC Project Specialist, provided additional information and recommendations.*

Mr. Quick indicated that the company plans to invest approximately \$2.2 million and create 100 jobs over the next five years. The average weekly wage for the newly created jobs is anticipated to be \$1,538.

Recommendation: MEDC staff recommended a 75 percent high-technology employment tax credit for five years for up to 100 net new employees in excess of the company's established base of 37.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval. Karla Campbell, MEGA Board Secretary, stated there was one contingency related to the project- the City of Rochester Hills must approve a tax abatement related to the project. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Herman made a motion**

for approval of Resolution 2011-016. Ms. Canady seconded the motion. The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-017: XG Sciences, Inc.

Ed Reed, MEDC Business Development Manager, provided background information and introduced the guest presenters: Mike Knox, CEO, XG Sciences, Inc.; Scott Murray, Vice President, Operations, XG Sciences, Inc.; Dawn Baesten, Managing Partner, Atlas Insight, LLC; Tracy Miller, Director, Delhi Township. Others in the audience in support of the project were acknowledged.

Mr. Murray read from a press release regarding the Academy for Nobel Prize in Physics, speaking about the characterization of grapheme as the thinnest and strongest ever, suitable for many uses. He said that XG Sciences' mission was to manufacture graphene. With a customer base of 300 companies' worldwide, close relations with MSU and four major markets, they looked forward to working with Delhi Township. Ms. Miller spoke about how the executive industrial park within the municipality is looking for growth, and that hopefully the tax abatements would be passed tonight.

Joe Quick provided additional information and recommendations.

Mr. Quick said the company plans to invest approximately \$6.64 million and create 50 jobs over the next five years, with the average weekly wage for the newly created jobs anticipated to be \$1,162.

Recommendation: MEDC staff recommended a 100 percent high-technology employment tax credit for five years for up to 50 net new employees in excess of the company's established base of 7.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed High-Tech MEGA Credit and recommends approval. Ms. Campbell mentioned one contingency- that the Delhi Township approve a tax abatement for new property related to the project. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2011-117. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED RETENTION MEGA CREDITS

Resolution 2011-018: Fluid Routing Solutions, Inc.

Bill Kratz, MEDC Business Development Manager, provided background information and introduced the guest presenters: Kevin Sharrar, Plant Controller, Fluid Routing Solutions, Inc.; Brian Reeves, General Manager, Fluid Routing Solutions, Inc.; Mark Warba, Mayor, City of Big Rapids; Bill Mrdeza, Executive Director, Mecosta County Development Corp.

Mr. Reeves thanked the Board for their consideration. He said that Fluid Routing Solutions has 277 employees in Big Rapids. As a 40 year old Auto Supplier-Fuel Filler, the goal is to stay where they are at, continue to compete and have job retention. Mr. Warba said it was a privilege and pleasure to be here, and that the city has committed to Fluid Routing Solutions over the years, and that the company looks to the city as an ally. He said that Fluid Routing Solutions has made the tough decision to stay in business and that they were a welcome part of the community and he hoped for the Board's consideration. Mr. Mrdeza said he was proud of the diverse economic base in the city and was very supportive of Fluid Routing Solutions' application. A 328 has already been approved for 10 years.

Josh Hundt, MEDC Senior Project Specialist, provided additional information and recommendations.

Mr. Hundt spoke about the company's plans to invest approximately \$12.5 million and retain 277 jobs over the next five years, with the average weekly wage for the retained jobs at \$675.

Recommendation: MEDC staff recommends a 50 percent retention employment tax credit for 7 years for up to 277 retained employees, subject to the condition that the company must maintain at least 277 full-time jobs related to the project, of which 250 must be maintained in the City of Big Rapids, Mecosta County, and failure to do so will result in forfeiting the credit for that year.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention Employment MEGA Credit and recommends approval. Ms. Campbell pointed out that there was one contingency- that the City of Big Rapids approves a tax abatement. **Mr. Herman made a motion for approval of Resolution 2011-004. Ms. Canady seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-019: IPC Print Services, Inc.

Tom Tarleton, MEDC Business Development Growth Manager of Retention and Growth, provided background information and introduced the guest presenters; Ken Kozminski, Vice President, IPC Print Services; Wendy Chesser, Cornerstone Alliance;

Mr. Kozminski said that IPC was founded in 1949 and is a top 15 publisher in North America of magazines & books. In 2010, IPC was purchased by Walsworth which has a strong background in Missouri, where it is currently headquartered. This means that Michigan is competing against Missouri for the replacement of their recently closed Omaha, Nebraska facility. Ms. Chesser said that the project has support from Lincoln Charter Township by way of a PA 198 tax abatement.

Joe Quick provided additional information and recommendations.

Mr. Quick said the company plans to invest approximately \$23 million and retain 208 jobs over the next five years. The average weekly wage for the retained jobs will be \$821.

Recommendation: MEDC staff recommends a 50 percent retention employment tax credit for five years for up to 208 retained employees, provided the company maintain at least 187 employees in Michigan.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention MEGA Credit and recommends approval. Ms. Campbell pointed out that there was one contingency—Lincoln Charter Township’s approval of a tax abatement for new property related to the project. Ms. Donovan asked regarding the timing of the Board of Directors meeting to decide whether the project would go to Missouri or Michigan. Mr. Kozminski responded that the Board of Directors was currently meeting in Missouri. Ms. Donovan asked if there were any questions from the Board. Being none, **Ms. Canady made a motion for approval of Resolution 2011-019. Mr. Herman seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-020: KUKA Robotics Corporation

Michelle Elder, MEDC Business Development Manager, provided background information and introduced the guest presenters: Stuart Shepard, President; Cindy McMahon, Business Development Representative from Oakland County.

Mr. Shepard said that KUKA Robotics is involved in automobile, entertainment and medical fields. They are the largest provider of robotics for entertainment systems. Highly diversified, they have grown significantly in the last couple years. They hope they can help Michigan attract other business to the area. Ms. McMahon said that they are excited to have KUKA staying in Michigan.

Stacy Bowerman provided additional information and recommendations.

Ms. Bowerman spoke about the company’s plans to invest approximately \$4.7 million, including \$1.5 million in lease payments, and retain 68 jobs over the next five years. The average weekly wage for the retained jobs is anticipated to be \$1,640.

Recommendation: MEDC staff recommends approval of up to a 75 percent retention employment tax credit for five years for up to 68 retained employees, provided the company maintains at least 60 employees in Michigan.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Retention MEGA Credit and recommends approval. Ms. Campbell pointed out that there was one contingency—that the local unit approve a tax abatement for new property related to the project. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2011-020. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED RURAL MEGA CREDITS

Resolution 2011-021: Metalloid Corporation

Tom Tarleton, MEDC Business Development Manager, provided background information and introduced the guest presenters: Fred Edwards, Jr., CEO, Tom Edwards, President, Michael Hughes, City Manager for the City of Sturgis.

Mr. Fred Edwards thanked the board for their consideration. He said that the company is moving from Indiana to Michigan and is a chemistry based plant that also exports. Mr. Hughes said that the company is taking over a vacant building and will create 30 jobs over the next five years. They are committed to PA 198 in the future. He thanked the board for their consideration.

Robert Wilson, MEDC Project Specialist, provided additional information and recommendations.

Mr. Wilson spoke about the company's plan to invest approximately \$365,000 and create 30 jobs over the next five years, with 17 jobs projected in year 1. The average weekly wage for the newly created jobs is anticipated to be \$975.

Recommendation: MEDC staff recommended a 75 percent rural employment tax credit for five years for up to 30 net new employees.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Rural MEGA Credit and recommends approval. Ms. Campbell pointed out that there was one contingency—that the City of Sturgis approve a tax abatement for new property related to the project. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2011-021. Ms. Canady seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED STANDARD MEGA CREDITS

Resolution 2011-022: Benteler Automotive Corporation

Clarinda Barnett-Harrison, MEDC Business Development Manager, provided background information and introduced the guest presenters: Ulf M. Kranz, CFO; Steffen Tutschka, Director Legal Affairs; Laurie Johnson, City of Auburn Hills; and Michele Eaton, Oakland County.

Mr. Kranz said that the company was founded in 1876 and had been in America since the mid-80s. Their first headquarters was in Grand Rapids and moved to Auburn Hills in 2001. They deal in chassis and exhaust systems, with 50% of their customers being in the United States, and the other 50% being German and Asian companies. Ms. Johnson thanked the company and said they look forward to growth and are offering a tax abatement to incentivize them to stay. Ms. Eaton said the county strongly recommends the company.

Phil Santer, MEDC Project Specialist, provided additional information and recommendations.

Mr. Santer said the company plans to invest approximately \$3.9 million and create up to 250 jobs over the next five years.

Recommendation: MEDC staff recommends a 75 percent standard employment tax credit for five years for up to 250 net new employees in excess of the company's established base of 1,086; provided that BAC maintains its North American headquarters in the City of Auburn Hills.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Ms. Campbell said there were no contingencies. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2011-022. Ms. Canady seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-023: Faurecia Interior Systems, Inc.

Clarinda Barnett-Harrison provided background information and introduced the guest presenters: Laurie Johnson, City of Auburn Hills; Michele Eaton, Oakland County, Justin Robinson, Senior Economic Development Specialist for Macomb County, and Dave Borysiak, Manager of Corporate Tax.

Mr. Borysiak said that 2010 had been a good year for the company with a 50% increase in sales, and more than 100% increase in the United States. He said Faurecia is the 5th largest supplier in five divisions: exhaust, diesel, automobile seating, automobile interiors and automobile exteriors. The company is headquartered in Paris, France. Ms. Johnson said they are excited to keep the company in Auburn Hills and Ms. Eaton thanked the board. Mr. Robinson said the City of Frasier is committed to a PA 198 and happy to be able to participate in the company's growth.

Marcia Gebarowski, MEDC Project Specialist, provided additional information and recommendations.

Ms. Gebarowski said the project is multi site and the company plans to invest approximately \$19.3 million and create 428 jobs over the next five years, with an average weekly wage of \$691.

Recommendation: MEDC staff recommends a 90 percent standard employment tax credit for seven years for up to 428 net new employees in excess of the company's established base of 1,346. This offer is contingent upon the company agreeing to set aside its four existing MEGA credits upon activation of the MEGA credit for the described project.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Ms. Campbell said that there were two contingencies: that the four MEGAS be set aside at the activation of the new credit and that both the City of Frasier and the City of Auburn Hills approve tax abatements for new property related to the project. Ms. Donovan asked if there were any additional questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2011-023. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-024: MedAssurant, Inc.

Erik Tungate, MEDC Business Development Manager, provided background information for the project and introduced the participants: Ann Parker, Director of Quality; Robert Schlissler, Director of Facilities; Jason Kildea, Gillespie Group; Mayor Virg Bernero, City of Lansing; Bob Trezise, President of the Lansing Economic Development Corporation and Ray DeWinkle, Lansing Economic Area Partnership (Leap, Inc.).

Ms. Parker said the company was founded in 1998 and is a tech-based provider with the mission of improving the healthcare landscape. She said the company plans to bring 400 jobs over five years. Mr. Bernero thanked the company and said its success is our business and that he is excited to diversify the economy into new areas. He said the company is going to use an underutilized space- the old Burlington Coat Factory. He said the company is investing over \$2 million in property and the jobs will pay \$46,000 a year. He said that there is administrative support for a 12 year personal property tax abatement and that this project will result in a \$12 million annual payroll boost and strengthen the health care center.

Phil Santer provided additional information and recommendations.

Mr. Santer said the company plans to invest approximately \$4 million and create up to 404 jobs.

Recommendation: MEDC staff recommends approval of a 75 percent standard employment tax credit for five years for up to 404 net new employees, in excess of the company's established base of 50.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Ms. Campbell pointed out that the only contingency was that the City of Lansing approves a tax abatement. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2011-024. Ms. Canady seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-025: Merit Technologies Worldwide, LLC.

Jeff Sand, MEDC Business Development Manager, provided background information for the project and introduced the participants: Suk Je Lee, Director of Commercial Activities – GNS America, Jack Caudill, Financial Advisor, Kristen Thomas, Canton Township; Jim Paquet, Wayne County.

Mr. Caudill said the company invested in hot stamping, which changes the molecular structure for use in pillars and side beams in cars. Ms. Thomas said that the company is a great addition and that they are taking a six year PA 328 abatement recommendation to their Board. Jim Paquet from Wayne County said they are excited about the project and appreciate the support.

Robert Wilson provided additional information and recommendations.

Mr. Wilson said the company plans to invest \$16,888,000 and create 89 jobs, with an average weekly wage anticipated at \$815.

Recommendation: MEDC Staff recommends a 75 percent standard employment tax credit for 5 years for up to 89 net new employees in excess of the company's established base of 49.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Ms. Campbell pointed out that the only contingency was that Canton Township approves a tax abatement related to the project. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Buckler made a motion for approval of Resolution 2011-025. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-026: Patriot Solar Group LLC

Ms. Maria Nevai, MEDC Business Development Manager, provided background information for the project and introduced the participants: Jeff Mathie, President, Patriot Solar Group; Ken Sexton, Operation Manager, Patriot Solar Group; and Margaret Sindt, City of Albion.

Mr. Mathie thanked the board and said he looks forward to working with MEDC. He said the company was founded in 2010; he is buying the company back and moving it to its old facility. He said the company has 450 megawatts worth of Letters of Intent and a deal with Detroit Edison in the works. Ms. Sindt said that she appreciates MEDC staff support and that the home of Patriot Solar Group is moving to Sheridan Township. She said that a PA 198 has already been approved.

Robert Wilson provided additional information and recommendations.

Mr. Wilson said that the company plans to invest \$3,954,000 and create 193 jobs over the next five years, with an average weekly wage of \$701.

Recommendation: MEDC staff recommends a 100 percent standard employment tax credit for five years for up to 193 net new employees in excess of the company's established base of 10. The company must create and maintain at least 90 Qualified New Jobs above the statewide employment base by the end of year 3 of the credit. Failure to do so will result in the forfeiture of remaining years.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Ms. Campbell pointed out that the only contingency was that Sheridan Township approves a tax abatement related to the project and that it had already occurred. Ms. Donovan asked if there were any questions from the Board. Mr. Buckler asked how many megawatts a year the plant could produce. Mr. Mathie said that the company builds the structures not panels, but that they supplied over 6,000,000 antennas. **Mr. Buckler made a motion for approval of Resolution 2011-026. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-027: Unistrut International Corporation

Mr. Aaron Young, MEDC Business Development Manager, provided background information for the project and introduced the participants: Charles Nehls, Plant Manager, Kathy Lamb Smith, Controller, Jim Paquet, Wayne County, and Peter McInerney, City of Wayne Community Development Director.

Mr. Nehls thanked everyone. He said Unistrut has been manufacturing on their current site since 1924, growing into a universal structural support system used in construction all over the year as a nuclear and electrical global company. They have been consolidating to grow their business, enhancing their stamping and rolling mill operations. Mr. McInerney said that although there had been lots of ups and downs, they are excited for the company. Mr. Paquet said he was excited and happy and wishes the company success.

Robert Wilson provided additional information and recommendations.

Mr. Wilson stated that the company plans to invest approximately \$4,525,000 and create 86 jobs over the next five years, with 75 jobs projected in year 1 and an average weekly wage of \$653.

Recommendation: MEDC staff recommends a 75 percent standard employment tax credit for 5 years for up to 86 net new employees in excess of the company's established base of 118.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard MEGA Credit and recommends approval. Ms. Campbell pointed out that the only contingency was that the City of Wayne approves a tax abatement related to the project. Ms. Donovan asked if there were any questions from the Board. **Mr. Buckler made a motion for approval of Resolution 2011-027. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED STANDARD AND RETENTION MEGA CREDITS

Resolution 2011-028: Gemini Group, Inc.

Erik Tungate provided background information and introduced the participants: T.L. Bushey, CFO; Carl Osentoski, Executive Director of Huron County EDC, Dale VanDeVusse, City Manager of Bad Axe, James Hicks, Mayor of Bad Axe.

Mr. Bushey thanked everyone involved and said that the company is the largest employer in Huron County, operating four plastics and three metal plants in the county. The award allows them to maintain 762 jobs. They are planning on investing \$52 million in capital investment. Mr. Hicks said he is glad to see this come to fruition and that he would hate to lose Gemini. Mr. Osentoski said that all of the townships strongly support and will continue to support Gemini Group in its growth and expansion.

Greg West, MEDC Project Specialist, provided additional information and recommendations.

Mr. West said Gemini group plans to invest approximately \$53 million, retain 555 jobs and create up to 290 new jobs over the next five years, with the average weekly wage for the retained jobs at \$605 and the average weekly wage for the newly created jobs at \$464.

Recommendation: MEDC staff recommends approval of a 75 percent standard employment tax credit for five years for up to 290 new employees, above the established employment base of 901. In addition, MEDC recommends approval of up to a 75 percent retention employment tax credit for eight years for up to 555 retained employees provided that the company maintains at least 762 employees at its facilities in Huron County, Michigan. Failure to do so would make the applicant ineligible to collect the MEGA tax credit for that year.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed Standard and Retention MEGA Credits and recommends approval. Ms. Campbell pointed out that the only contingency was that the local units of government all approve tax abatements related to the project. Ms. Donovan asked if there were any questions from the Board. **Mr. Buckler made a motion for approval of Resolution 2011-028. Ms. Canady seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

PROPOSED MEGA CREDIT AMENDMENTS

Resolution 2011-029: Morley Companies Incorporated

Brenda Flory, MEDC Business Development Manager, provided information and introduced the participants: Christopher Furlo, Executive Vice President, Paul Furlo, President and CEO, JoAnn Crary, President of Saginaw Future, Inc., and Tim Braun, Saginaw Township Supervisor.

Mr. Christopher Furlo said that they had created hundreds of new qualified jobs and opportunities are in place to double employment over the next ten years. He said this is a demonstration of how Michigan and Saginaw Township are a great place to do business. Mr. Braun said that in 2009, the township granted a 100% personal property tax abatement in support of existing MEGA and will take the new one to the township at the beginning of March. He said it is a great company. Ms. Crary said that they had done a great job and thanked all involved.

Robert Wilson provided additional information and recommendations.

Mr. Wilson said that in December 2009, the MEGA Board approved a 100 percent Standard Lookback MEGA Tax Credit for 10 years for the attraction of 700 new jobs to Morley's facility in Saginaw Township. The company plans to invest approximately \$7,710,750 and create 911 additional jobs over the next five years. The average weekly wage for the newly created jobs is anticipated to be \$454. The average weekly wage for the entire credit will be \$424.

Recommendation: MEDC staff recommends amending the 10 year 100% Standard Lookback Mega Credit to increase the number of qualified new jobs from 700 to 1611, over the company's

employment base of 642. The company must create and maintain at least 700 Qualified New Jobs above the statewide employment base by the end of year five of the credit. Failure to do so will result in the forfeiture of remaining years of the credit.

Board Discussion: Ms. Donovan asked if they already had 700 new jobs and were adding 900? Mr. Wilson responded that they were. Ms. Donovan said it is great to see this kind of success. Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment and recommends approval. Ms. Campbell pointed out that the only contingency was that the Saginaw Township approves a tax abatement related to the project. Ms. Donovan asked if there were any questions from the Board. **Mr. Buckler made a motion for approval of Resolution 2011-029. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

Resolution 2011-030: Strategic Staffing Solutions, L.C.

Jonathan Younkman, Team Leader, MEGA Program Administration, provided information. Mr. Younkman said that on October 27, 2009, the MEGA Board passed Resolution 2009-179, a 100% Standard Credit for five consecutive years starting with tax year ending December 31, 2010. The company's intentions were to ramp up employment in 2010 and start collecting their tax credit in 2011. This intention follows the terms of the Agreement.

Recommendation: MEDC staff recommends that Resolution 2009-179 be amended to reflect the first credit year as December 31, 2011. All other aspects of the original MEGA remain as is.

Board Discussion: Mr. Herman gave the Executive Committee report. The MEGA Executive Committee reviewed the proposed MEGA Credit Amendment and recommends approval. Ms. Campbell said there were no contingencies associated with the project. Ms. Donovan asked if there were any questions from the Board. Being none, **Mr. Herman made a motion for approval of Resolution 2011-030. Ms. Mester seconded the motion.** The motion carried unanimously – 5 ayes; 0 nays; 0 recused; 2 absent.

ADJOURNMENT: The meeting was adjourned by Ms. Donovan at 11:46 a.m.